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C O N F I D E N T I A L SECTION 01 OF 04 LA PAZ 000006

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SUBJECT: INITIAL MEETING WITH EVO MORALES: BRASS TACKS

REF: A. LA PAZ 3807

[1](#)B. LA PAZ 3803

Classified By: Ambassador David N. Greenlee for reasons 1.4d and b.

[1](#)1. (C) Summary: In a January 2 "breaking the ice" meeting with the Ambassador, President-elect Evo Morales claimed he had not publicly maligned President Bush (at least not in the post-election period) and expressed deep resentment about being branded a "narco-terrorist" by U.S. officials. Morales confirmed he was prepared to cooperate on counter-narcotics, with the 3.2 thousand hectare set-aside in the Chapare serving as the basis for future work (ref). The Ambassador acknowledged the GOB-cocalero agreement as a continuing reality, but clarified that we were not party to it. The president-elect said he would change the existing "neo-liberal" model because it had failed to help the poor, but seek a strictly Bolivian (not a Cuban, Venezuelan or American) solution to the country's economic challenges. Throughout the discussion, Morales repeatedly stated that he wanted to resolve disagreements, including with the U.S., through dialogue, and that eliminating corruption was his top priority. The Ambassador reviewed the range of our cooperation (which eclipses that of all other countries by far), underscored our interest in maintaining a constructive relationship, but emphasized that this would depend on the words and actions of government leaders. VP-elect Alvaro Garcia Linera affirmed the future government's commitment to democracy and its desire for U.S. cooperation in creating a better future for all Bolivians. This initial meeting included some necessarily frank exchanges on thorny issues; the president-elect came across as guarded and somewhat defensive, but also as sincere and at ease in his role as number one. End Summary.

[1](#)2. (U) President-elect Evo Morales and VP-elect Alvaro Garcia Linera came to the Ambassador's residence in the late afternoon of January 2, at our invitation, for an initial "breaking the ice" session that lasted just over one hour. (In accordance with long-standing policy, U.S. diplomats had not previously met with Morales.) Ambassador Greenlee, DCM Robinson and acting Ecopol counselor Ludwig (note-taker) represented the Embassy.

Congratulations, Please Clarify Your Comments

[1](#)3. (C) The Ambassador began by congratulating Morales for his electoral victory, and noted that the decisive result gave the government at once a clear mandate and great responsibility. He welcomed the opportunity to review issues of shared concern with the future Bolivian president (remarking that the term "indigenous President" was in our view misleading and narrow), and also to turn the page on our testy relations of the past. At the same time, the Ambassador said, we were interested in receiving clarifications regarding the president-elect's reported verbal attacks against President Bush and the United States. Morales thanked the Ambassador for the invitation, and joked that he would travel the next day to visit "a friend of yours" (i.e., Venezuelan President Hugo Chavez. Note: Morales is visiting Venezuela on January 3, before continuing to Europe - ref B). The Ambassador replied that it then must be a mutual friend.

[1](#)4. (C) In response to the Ambassador's question, Morales claimed he had never referred to President Bush as a "terrorist" and was not even aware of having given an interview with the Arab TV network Al Jazeera (at least not after the December 18 elections), but, backtracking somewhat, acknowledged that he might have made that kind of remark in the heat of the campaign. Seeking to make light of the situation, Morales said he had referred to Secretary Rice as "Condolencia" partly because he wasn't sure how to pronounce her name. The Ambassador retorted that Washington officials were researching the veracity of the Al Jazeera quote and that Morales' reported mocking references to U.S. officials were seen as indicative of his political intentions, and had been unhelpful thus far. He also suggested that Morales practice pronouncing the Secretary's name correctly.

Morales: I'm No Narco-Terrorist!

15. (C) Morales, with a defensiveness bordering on vehemence, responded that efforts by U.S. officials to brand him as a narco-trafficker and narco-terrorist were totally inaccurate, unjust and counterproductive. He was, he said, a committed democrat who had competed in three successive national elections and, in the most recent vote, had been chosen by a clear majority of Bolivians to lead the country into the future. That, he emphasized, is "why you have agreed to meet with me." (Comment: Rightly or wrongly, Morales clearly nurses a psychological wound rooted in what he views as the patent unfairness of our past treatment of him. End Comment.)

Coca: Some Room to Work

16. (C) The Ambassador then turned to coca, and asked the president-elect about the accuracy of reports we had read in the press and received from his alleged collaborators that the future government would be disposed to continued cooperation on this important front (ref A). He noted that U.S. assistance in this area had three intertwined facets - eradication, interdiction and integral development - that were difficult to separate from one another. Morales said that his public declarations underlining his opposition to cocaine production and narcotics trafficking were accurate and true, and reiterated his commitment to cooperating with us in countering them.

17. (C) He noted that, while his government would face pressures from certain sectors, it would be able to work with us on the basis of the existing agreement setting aside one "cato" (actually, 3.2 thousand hectares, slightly less than one cato) per family in the Chapare as an eradication free zone, which had demonstrably eased tensions there. He also claimed that cocaleiro syndicates in the Chapare were already assisting in the eradication of coca in excess of that limit. The Ambassador acknowledged the existence of the so-called cato agreement - signed by the Mesa Government and cocaleiros - but reminded Morales that the U.S. was not a party to it and that, while we admitted its apparent effectiveness in practice of reducing anti-eradication violence, we did not support the agreement in principle. In response to further probing, Morales suggested that other counter-narcotics cooperation, including with military support forces, could be negotiated and go forward.

Change the Model

18. (C) The Ambassador asked about the MAS's government plan and the concrete significance of its campaign pledge to change the economic model, calling attention to the fact that state-led planning had failed everywhere in the world it had been tried. An impassioned Morales explained that "neo-liberalism" had proved incapable of helping the country's poor majority - who had only grown poorer since the model was implemented - and needed to be replaced. He emphasized, however, that his government would not borrow a Cuban, Venezuelan, North-American or any other foreign prescription to address economic challenges that were Bolivian in origin and that therefore required strictly home-grown solutions. In concrete terms, he continued, this meant he would respect the foreign investment, private property and juridical security that the Bolivian economy needed to grow. He noted that he himself owned land and would not want to lose it. At the same time, the government would diversify its economic approach, including with autonomous zones that respected the communitarian practices of indigenous peoples where private property did not exist.

19. (C) Unprompted, Morales acknowledged that the future government would "reclaim ownership" of Bolivia's hydrocarbons resources, which he said had been exploited by foreign interests at the people's expense under the old system. The Ambassador responded that, while the U.S. attached great importance to the respect for contractual obligations and the need for legal certainty, other governments such as those of Spain, France and Brazil had greater commercial interests in the gas sector, and would likely be raising these interests with his government in the near future.

The Importance of Dialogue

10. (C) Throughout the discussion, Morales reiterated his interest in resolving problems and disagreements through dialogue (which he emphasized was an integral part of Aymara culture) and his commitment to democracy. He said he had long been willing to meet and speak with U.S. officials, and that his presence in the Ambassador's residence clearly showed his belief in talking things through. He claimed he had demonstrated his commitment for negotiation over confrontation, and that the violence in Bolivia's immediate past had flowed either from the absence of dialogue or a lack of good faith efforts during negotiations. In this connection, Morales stated that the syndicates he led had an unparalleled track record in keeping their promises and

meeting their side of the various bargains they had entered. Similarly, he mentioned repeatedly that corruption had been a major obstacle to Bolivia's development, and that eliminating it would be a top government priority.

U.S. Cooperation

11. (C) The Ambassador next reviewed the range of U.S. cooperation to clarify, he explained, apparent misconceptions about the significance of our role in Bolivia. Using a series of slides prepared by USAID-Bolivia, he showed that U.S. bilateral contributions over the last four years dwarfed those of other top donors - including Germany, Holland and Japan - that tended to get the lion's share of the media recognition. He also showed the crucial importance of U.S. contributions to key international financial on which Bolivia depended for assistance, such as the International Development Bank (IDB), the World Bank and the International Monetary Fund. "When you think of the IDB, you should think of the U.S.," the Ambassador said. "This is not blackmail, it is simple reality." He also noted that the U.S. led other creditors in having fully forgiven Bolivia's debt.

12. (C) The Ambassador underscored the U.S. Government's interest in maintaining a constructive relationship with the future government of Bolivia, but noted that the need for respect and dignity (focal points in the MAS's campaign and post-electoral rhetoric) was a two-way street. He emphasized that countries acted, at bottom, according to their perceived national interests, and hoped that we could continue working together in pursuit of our shared interests. In this connection, the Ambassador stated that this prospect would depend on the words and actions of the Bolivian government. "I hope you as the next president of Bolivia understand the importance of this," he said, "because a parting of the ways would not be good for the region, for Bolivia or for the United States."

Garcia Linera: We Want to Work With You

13. (C) VP-elect Alvaro Garcia Linera closed the meeting by reaffirming the commitment of the president-elect and the future government to democracy and to the principle of open dialogue ("as demonstrated today") on the full range of issues. (Note: Morales said they cabinet members had not yet been selected, but that in the interim Garcia Linera and Felipe Caceres - on coca - could serve as our principal interlocutors. End Note.) He further asked us for patience - "give us six months before making any judgments" - and stated his desire that the U.S. accompany the future government in its efforts to create a more inclusive democracy and a better future for Bolivians.

Frank Exchange with Number One

14. (C) This initial meeting, while cordial throughout, included frank exchanges on a number of thorny and sensitive issues. As such, it should lay a productive foundation for more detailed future discussions on the broad menu of bilateral issues. President-elect Morales projected an air of caution and guardedness throughout, and on several occasions baldly conveyed his resentment for the allegedly false accusations by U.S. officials. During the Ambassador's description of U.S. assistance to Bolivia, Morales' body language - arms crossed, eyes darting from side to side - suggested impatience and even exasperation. At the same time, his expressed commitment to fight for the interests of Bolivia's poor appeared to us personally sincere and politically authentic. By his strong demeanor and lead role throughout the discussion, Morales also appeared to put to rest rumors that he is the junior partner in a political dupla dominated by the more sophisticated and worldly Garcia Linera. Whatever else he may be, in person Evo Morales struck as a politician to be reckoned with -- and potentially one with whom, in certain areas, we might be able to deal effectively.

GREENLEE